

PSC No: 120 - Electricity  
New York State Electric & Gas Corporation  
Initial Effective Date: January 1, 2008

Leaf No. 170  
Revision: 7  
Superseding Revision: 5

SERVICE CLASSIFICATION NO. 3 (Continued)

SPECIAL PROVISIONS: (Cont'd.)

(d) Economic Incentives: (Cont'd)

(8) Incremental Load Incentive ("ILI"):

Customers who qualify under the Incremental Load Incentive (ILI) in Section 19 of the General Information section may select one of the following rate options, as specified in this Service Classification and Section 25, Supply Service Options, for such qualified incentive load: 1) NYSEG Fixed Price Option (FPO), 2) NYSEG Variable Price Option (VPO), or 3) ESCO Price Option (EPO).

Such customers will have their service bills reduced, for a term of 60 months, by an incentive rate per kilowatt-hour for all qualified kilowatt-hours used thereunder.

The incentive rate will be the equivalent of the applicable Transition Charge (NBC), as described in this Service Classification, less the ancillary service costs and NTAC components of the Transition Charge, to the extent that the Transition Charge exceeds the ancillary service costs and NTAC components.

An Economic Incentive Rate (EIR) Statement setting forth the annual incentive rate will be filed with the Public Service Commission on not less than three (3) days' notice. Such statement can be found at the end of this Schedule (PSC 120 - Electricity).

Customers transitioning from the Incubator Development Incentive will be phased in as follows:

Per kilowatt hour, for all qualified kilowatt- hours	Effective Date				
	01/01/2007	01/01/2008	01/01/2009	01/01/2010	01/01/2011
	\$0.0250	\$0.020	\$0.015	\$0.010	\$0.005

At any time during the phase in, an IDI customer may make a one-time election to receive the ILI discount on the qualified kilowatt-hours instead of the phase in. Once a customer had made this election, they will not be allowed to return to the phase in.

(e) Controlled Load Time-of-Use Service Option:

Customers who have a total connected load of at least 25 kW, with at least 12.5 kW of that load being newly installed controlled equipment, may choose to take their entire service under Service Classification No. 7 with Time-of-Use metering. Controlled Load equipment will include, but not be limited to, Electric Thermal Storage equipment (E.T.S.), Air Conditioning equipment, Water Heating or other Heating/Cooling installations which are designed to operate advantageously during off-peak hours as defined in Service Classification No. 7.

Issued in compliance with order in Case No. 07-E-0479 dated 08/29/07.

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